

**CITY OF FARGO EMPLOYEES PENSION PLAN
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2007**

	December-07				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter		Fiscal YTD	FY07	Ended	Ended
	Market Value	Actual	Policy	Net ROR	(1) Net ROR	Net ROR	6/30/2007 Net ROR	6/30/2007 Net ROR
LARGE CAP DOMESTIC EQUITY								
Structured Growth								
LA Capital	1,291,207	4.1%	4.1%	N/A	N/A	N/A	N/A	N/A
Total Structured Growth	1,291,207	4.1%	4.1%	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth								
Structured Value								
LSV	1,384,627	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
Russell 1000 Value								
Enhanced Russell 1000 Index								
LA Capital	1,210,650	3.8%	3.8%	N/A	N/A	N/A	N/A	N/A
Russell 1000								
Enhanced S&P 500 Index								
Northern Trust	931,651	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
Westridge	1,200,378	3.8%	3.9%	N/A	N/A	N/A	N/A	N/A
Wells Capital	946,957	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
European Credit Management	432,797	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A
Franklin	870,498	2.8%	3.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	4,382,280	13.9%	14.3%	N/A	N/A	N/A	N/A	N/A
S&P 500								
Absolute Return Strategy								
Epoch	423,036	1.3%	1.4%	N/A	N/A	N/A	N/A	N/A
S&P 500								
S&P 500 Index								
State Street	601,623	1.9%	2.1%	N/A	N/A	N/A	N/A	N/A
S&P 500								
TOTAL LARGE CAP DOMESTIC EQUITY								
S&P 500								
SMALL CAP DOMESTIC EQUITY								
Manager-of-Managers								
SEI	2,160,091	6.9%	7.2%	N/A	N/A	N/A	N/A	N/A
Russell 2000 + 200bp								
Callan	924,815	2.9%	2.8%	N/A	N/A	N/A	N/A	N/A
Russell 2000								
TOTAL SMALL CAP DOMESTIC EQUITY								
Russell 2000								
INTERNATIONAL EQUITY								
Large Cap - Core								
State Street	317,411	1.0%	1.0%	N/A	N/A	N/A	N/A	N/A
MSCI EAFE								
Large Cap - Active								
Capital Guardian	976,320	3.1%	3.0%	N/A	N/A	N/A	N/A	N/A
LSV	909,080	2.9%	3.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	292,876	0.9%	1.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	2,178,276	6.9%	7.0%	N/A	N/A	N/A	N/A	N/A
MSCI EAFE - 50% Hedged								
Small Cap - Active								
Lazard	94	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
DFA	280,657	0.9%	1.0%	N/A	N/A	N/A	N/A	N/A
Wellington	314,462	1.0%	1.0%	N/A	N/A	N/A	N/A	N/A
Total Small Cap - Active	595,213	1.9%	2.0%	N/A	N/A	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN								
TOTAL INTERNATIONAL EQUITY								
MSCI EAFE - 50% Hedged								
EMERGING MARKETS EQUITY								
Core								
JP Morgan	273,202	0.9%	0.9%	N/A	N/A	N/A	N/A	N/A
PanAgora	266,600	0.8%	0.9%	N/A	N/A	N/A	N/A	N/A
WestLB	270,265	0.9%	0.9%	N/A	N/A	N/A	N/A	N/A
UBS	398,385	1.3%	1.5%	N/A	N/A	N/A	N/A	N/A
Total Core	1,208,451	3.8%	4.1%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets								
Small Cap								
DFA	264,992	0.8%	1.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets								
Private Equity								
Capital International	29,442	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets								
TOTAL EMERGING MARKETS EQUITY								
MSCI Emerging Markets								
DOMESTIC FIXED INCOME								
Core Bond								
Western Asset	732,245	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate								
Index								
Bank of ND	1,502,776	4.8%	6.0%	N/A	N/A	N/A	N/A	N/A
Total Index	1,502,776	4.8%	6.0%	N/A	N/A	N/A	N/A	N/A
Lehman Gov/Credit								
Convertibles								
Calamos	716,016	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	716,016	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Merrill Lynch All Convertibles								
BBB Average Quality								
Wells Capital	733,814	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman BBB								

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Private Debt								
Prudential	764,458	2.4%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				N/A	N/A	N/A	N/A	N/A
Timberland								
TIR - Teredo	692,298	2.2%	2.2%	N/A	N/A	N/A	N/A	N/A
TIR - Springbank	1,318,101	4.2%	4.2%	N/A	N/A	N/A	N/A	N/A
Total Timberland	2,010,398	6.4%	6.4%	N/A	N/A	N/A	N/A	N/A
NCREIF Timberland Index				N/A	N/A	N/A	N/A	N/A
Infrastructure								
JP Morgan	940,428	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	7,400,136	23.5%	24.0%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				N/A	N/A	N/A	N/A	N/A
HIGH YIELD BONDS								
Core								
Loomis Sayles	722,729	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
Sutter/Wells Capital	642,278	2.0%	2.3%	N/A	N/A	N/A	N/A	N/A
Total Core	1,365,007	4.3%	4.6%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				N/A	N/A	N/A	N/A	N/A
Mezzanine Debt								
Goldman Sachs 2006 Fund	32,697	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
Goldman Sachs Fund V	26,413	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
TCW	54,255	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	113,364	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				N/A	N/A	N/A	N/A	N/A
Distressed Mortgages								
PIMCO	18,866	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
Declaration Management	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Distressed Mortgages	18,866	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				N/A	N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	1,497,238	4.8%	5.0%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				N/A	N/A	N/A	N/A	N/A
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	757,819	2.4%	2.5%	N/A	N/A	N/A	N/A	N/A
Citigroup Non-US Gov't Bond Index				N/A	N/A	N/A	N/A	N/A
International Core								
Brandywine	792,424	2.5%	2.5%	N/A	N/A	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	1,550,243	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
Citigroup Non-US Gov't Bond Index				N/A	N/A	N/A	N/A	N/A
REAL ESTATE								
INVESCO - Core	673,173			N/A	N/A	N/A	N/A	N/A
INVESCO - Fund II	22,095			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	698,621			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Alternative Property Fund	159,128			N/A	N/A	N/A	N/A	N/A
TOTAL REAL ESTATE	1,553,018	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
NCREIF TOTAL INDEX				N/A	N/A	N/A	N/A	N/A
ALTERNATIVE INVESTMENTS								
Coral Partners V	62,272			N/A	N/A	N/A	N/A	N/A
Coral Partners V - Supplemental	7,450			N/A	N/A	N/A	N/A	N/A
Coral Momentum Fund (Formerly Fund VI)	149,290			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	14,121			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Partnership Fund	28,081			N/A	N/A	N/A	N/A	N/A
Brinson 2000 Partnership Fund	104,280			N/A	N/A	N/A	N/A	N/A
Brinson 2001 Partnership Fund	75,697			N/A	N/A	N/A	N/A	N/A
Brinson 2002 Partnership Fund	39,475			N/A	N/A	N/A	N/A	N/A
Brinson 2003 Partnership Fund	14,833			N/A	N/A	N/A	N/A	N/A
Total Brinson Partnership Funds	276,488			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	13,478			N/A	N/A	N/A	N/A	N/A
Brinson 2000 Non-US Partnership Fund	36,899			N/A	N/A	N/A	N/A	N/A
Brinson 2001 Non-US Partnership Fund	24,538			N/A	N/A	N/A	N/A	N/A
Brinson 2002 Non-US Partnership Fund	54,455			N/A	N/A	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	48,565			N/A	N/A	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	19,501			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	197,434			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	150,225			N/A	N/A	N/A	N/A	N/A
Adams Street Direct Co-investment Fund	120,427			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	63,796			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities II	281,818			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities III	29,653			N/A	N/A	N/A	N/A	N/A
InvestAmerica	60,022			N/A	N/A	N/A	N/A	N/A
Hearthstone MSII	613			N/A	N/A	N/A	N/A	N/A
Hearthstone MSIII	21,256			N/A	N/A	N/A	N/A	N/A
Corsair III	79,941			N/A	N/A	N/A	N/A	N/A
Quantum Resources	34,395			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	15,643			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	1,550,723	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
CASH EQUIVALENTS								
Northern Trust STIF/STEP	982,075	3.1%	1.0%	N/A	N/A	N/A	N/A	N/A
90 Day T-Bill				N/A	N/A	N/A	N/A	N/A
TOTAL FUND	31,505,547	100.0%	100.0%	N/A	N/A	N/A	N/A	N/A
POLICY TARGET BENCHMARK				N/A	N/A	N/A	N/A	N/A

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Initial funding with State Investment Board on December 28, 2007.

(2) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual c